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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 001213

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SENSITIVE

STATE FOR SA/INS AND SA/RA LONDON FOR POL - GURNEY NSC FOR MILLARD SECDEF FOR OSD/ISA - LILIENFELD

E.O. 12958: DECL: 06/26/2013

TAGS: PGOV PTER EAID NP GON
SUBJECT: NEPALI GOVERNMENT SAID TO ACCEPT OUTSIDE

ASSISTANCE ON NEGOTIATIONS

REF: A. KATHMANDU 1097 ¶B. KATHMANDU 0902

Classified By: DCM ROBERT K. BOGGS. REASON: 1.5 (B,D)

SUMMARY

11. (C) Summary: According to a representative from a Swiss NGO, the Government of Nepal (GON) peace negotiation team has agreed in principle to accept outside "negotiation support," to be provided to both the GON and Maoist insurgents. Summary: According to a representative from a Swiss Despite the delay in peace talks, the recent change in government, and the Maoists' increasingly belligerent rhetoric, the NGO representative, who maintains regular contact with insurgent ideologue Baburam Bhattarai, expressed confidence that the Maoists are not prepared to walk away from the table. The newly established Peace Secretariat is not yet fully operational, its one-man staff primarily engaged in hiring new personnel and securing office space Once peace talks resume, the Secretariat will be responsible for managing paper flow, "implementing" the decisions reached during negotiations, and acting as a liaison between the Government talk team and the media, NGOs, and the donor community. While the GON plainly needs outside assistance in training both negotiators and Secretariat staff, it remains unclear if the new administration of Prime Minister Thapa will be more receptive to outside participation in this sensitive area. End summary.

NEW GOVERNMENT MAY ACCEPT OUTSIDE ASSISTANCE IN TALKS

- On June 26 Andrew Marshall (protect) of the Center for Humanitarian Dialogue (HD) in Geneva told poloff that newly apppointed Information Minister and GON talk team spokesman Kamal Thapa had agreed to accept limited "negotiation support" from the Swiss organization. Marshall is a semi-frequent visitor to Kathmandu whose organization had offered similar support to both sides for negotiations during the 2001 negotiations under Prime Minister Deuba and the two rounds of negotiations held under the Chand government in April and May. The GON had not previously agreed to the assistance. Marshall maintains regular contact with Maoist ideologue Baburam Bhattarai. note.) Marshall, whose organization has no permanent presence in Nepal, said that HD had already decided to keep one staff member in country indefinitely for the time being. The staff member has already begun providing some limited assistance to the four Nepali facilitators who participated in the last two rounds of dialogue, setting up office space for them in a Kathmandu hotel and helping them better define their role.
- Marshall indicated that the "negotiation support" his organizatin will offer will focus, to a large degree, on training members of both sides on negotiating techniques and strategy. The GON has not thus far developed a strategy, he opined, and neither side is giving appropriate focus to confidence-building measures or "deliverables" that create a sense of progress in a peace process. The GON attitude toward dialogue to date has been haphazard, he continued, which adds to the Maoists' frustration at the lack of progress. He cited the continuing controversy about whether the GON had agreed during the last round of talks to restrict the Royal Nepal Army (RNA) to within 5 km of barracks (Ref B) as one pitfall that could have been averted by better training and preparation on both sides. (Note: Several sources have confirmed to us that no one on either talk team nor any of the four facilitators took notes or kept written records of the two rounds of dialogue that have taken place so far. GON negotiators, according to one well-placed source, attended both rounds "without even a piece of paper" in hand to guide their discussion. According to one

anecdote, when one participant asked to borrow a pen to jot something down during the last round, none of the 15 people in the room could produce one. End note.) 14. (C) Marshall said the offer for assistance is open to both sides -- a point he claimed Thapa knows and accepts. Training would also be made available to the GON's newly formed Peace Secretariat. Marshall said he is optimistic that the Maoists will respond favorably to the offer as well, although he admitted not having made contact with them during this latest visit. (Note: Each of the five Maoist negotiators is apparently out of town and out of sight for the time being. Speculation is rampant that some or all may have returned to India. End note.) HD will keep any assistance low-key and behind the scenes, Marshall emphasized, and has no immediate plans to increase either its staff or its visibility here. For this reason, he has decided not to consult with the Indian government -- which is widely believed to have discouraged the GON from accepting third-party assistance in the past. As long as the assistance remains discreet, he reasoned, the Indians may decide to overlook it. Formally notifying the Indian government of the proposed assistance, on the other hand, might force the southern neighbor to take a position against the plan.

MAOISTS MAY FULMINATE, BUT WON'T QUIT TALKS

 ${f 15.}$ (C) In his most recent telephone conversation with Bhattarai a week earlier, Marshall said that the Maoist Indeclogue was "frothing at the mouth" at perceived interference by the US, UK, and India in the June 4 change in government. Despite their displeasure at the change in government, the Maoists will not break off dialogue, Marshall predicted. He noted the Maoists' uncharacteristic silence after the local press reported that 7 insurgents had been killed in a fire fight with the RNA in Jajarkot on June 21 (septel), speculating that the Maoists were unwilling to jeopardize relations with the new goverment by raising an outcry. When poloff asked why the Maoists were so angry at a change that swapped one royally appointed National Democratic Party leader for another, Marshall replied that the Maoists fear that the new government will renege on commitments made by the Chand governmnt in the two previous rounds. He cited the 5-km restriction on the RNA and an as-yet unfulfilled promise to release all Maoist Central Committee members as examples. Bhattarai remains especially incensed at the USG, and continually raises the placement of the Maoists on a watchlist in the annual terrorism report as evidence of US enmity. The Maoists truly cannot understand the USG refusal to "get over" the murders of two locally employed Embassy guards, Marshall said, indicating that the Maoists believe that their admission of responsibility and characterization of the executions as mistakes should have been sufficient to clear the air. Poloff said that the USG is seeking justice for the two slayings, as well as an end to extortion of US businesses, and will not "get over" anything until progress is demonstrated on these fronts. Marshall said he understands the US view.

SECRETARIAT SET UP;

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SIPDIS NOT YET READY TO GO

16. (SBU) On June 26 emboffs met with Janak Raj Joshi, Joint Secretary at the 10-day-old Peace Secretariat, which was set

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up by Prime Minister Surya Bahadur Thapa as one of his first acts in office. Joshi, who is currently "squatting" at the Ministry of Population and Environment, said he is spending most of his time now hiring additional staff members and securing suitable office space. Joshi said he meets with the two members of the GON's newest talk team (Ref A) on a daily basis. He has not, however, yet met with the four facilitators who participated in the two previous rounds, nor with the six members of the previous GON negotiating team. He acknowledged that neither side apparently had kept minutes of the two previous sessions, making his own task of picking up where the last round ended significantly more difficult.

17. (SBU) The terms of reference for the Secretariat task it with six areas of responsibility. First, the Secretariat is charged with "implementation" of all decisions made during the talks. Second, it is to provide negotiators with "advice, information and documents" related to the conduct of the negotiations. Joshi said that documenting alleged violations of the code of conduct would be an example of a duty under this rubric. Third, the Secretariat is responsible for "research and development," i.e., hiring

consultants and experts and/or developing a "road map" for the peace process. Fourth, the Secretariat will document each round of negotiations (a marked departure from past practice). Fifth, it is responsible for "generic coordination" with NGOs, civil society, and the donor community. Sixth, it will act as the talk team's media liaison. (Note: A wire diagram outlining the Secretariat's organizational structure has been e-mailed to SA/INS. End note.)

18. (SBU) Poloff asked about possible Secretariat plans to hire consultants and experts. Joshi emphasized that the GON has not yet decided whether to solicit outside assistance, adding that any experts or consultants needed might be locally hired. "We have to be careful of outside influence," he noted, but added that assistance from a multilateral, neutral organization could be more politically acceptable.

COMMENT

19. (C) With Prime Minister Thapa still trying to urge political parties to join his half-full Cabinet and with only two members of a talk team appointed, the GON is unlikely to be re-open formal negotiations very soon. However much the Maoists may complain that the change in government is delaying progress, the hiatus between rounds of dialogue offers a valuable window of opportunity for the GON to receive some desperately needed aid in preparing for negotiations. Despite its obvious need, the GON had previously parried all offers of negotiation assistance from donors eager to assist the peace process with polite refusals that usually contained some reference to "regional sensitivities" (Nepali-speak for India). It is difficult to determine whether the GON has overcome its reservations and decided to accept some quiet, low-profile assistance, or whether Information Minister Thapa, who has apparently been on cordial terms with Marshall for some time, simply could not bring himself to refuse the offer outright. The Embassy will follow up with the resident HD staff member and with others in the GON to learn if the government has changed its attitude toward third-party assistance in the peace process.

MALINOWSKI